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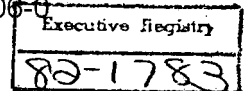
Executive Secretary

Date

3437 (10-81)



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503



JUL 8 1982

MEMORANDUM TO HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM:

David A. Stockman *DA*

SUBJECT:

Appointment of Procurement Executives

Executive Order 12352 of March 17, 1982, identifies a number of major initiatives aimed at improving Federal procurement. Among these initiatives is the requirement for all agency heads to designate a Procurement Executive with agency-wide responsibility to oversee development of procurement systems, evaluate system performance in accordance with approved criteria, enhance career management of the procurement work force, and certify to the agency head that procurement systems meet approved criteria.

In order to facilitate agency action on this initiative, an interagency task group has developed a model charter which identifies the appropriate placement of the Procurement Executive within an agency's organizational structure, sets out primary duties and responsibilities, and lists functions appropriate for delegation to subordinate procurement organization heads and contracting officers. The model charter is intended as a guide and may be adopted or modified to the extent necessary so long as it is consistent with the purpose and scope of the Executive Order. A copy of the model charter is attached.

It is requested that all agencies that have not already designated a Procurement Executive do so within 60 days of receipt of this memorandum. The name of the individual designated, together with his/her organizational placement, duties, and responsibilities, should be forwarded to Donald E. Sowle, Administrator, Office of Federal Procurement Policy, Office of Management and Budget, Washington, DC 20503.

Attachment

L-289

MODEL CHARTER
FOR
PROCUREMENT EXECUTIVES

**Developed By the Procurement Executive
Task Group of the Federal Procurement Council**

Interagency Task Group Leader: LeRoy E. Hopkins

OFPP Contact: LeRoy J. Haugh

PROCUREMENT EXECUTIVE

Executive Order 12352 of March 17, 1982, titled "Federal Procurement Reforms," provides in Section 1 as follows:

"To make procurement more effective in support of mission accomplishments, the heads of executive agencies engaged in the procurement of products and services from the private sector shall: Designate a Procurement Executive with agency-wide responsibility to oversee development of procurement systems, evaluate system performance in accordance with approved criteria, enhance career management of the procurement work force, and certify to the agency head that procurement systems meet approved criteria."

PROCUREMENT EXECUTIVE

Under the Executive Order, the head of each procuring agency is responsible for designating a Procurement Executive who in turn is responsible for the development and oversight of agency-wide procurement systems.

Procurement includes all stages of the process of acquiring property and services beginning with how needs are described and ending with the close out of the contractual instrument. (The phrase "how needs are described" refers to the development of the statement of work that will be used in the solicitation. It does not include the development of the "mission element needs statement.")

This model charter contains guidance as to the (1) appropriate placement of the Procurement Executive within an agency's organizational structure, (2) primary duties and responsibilities and (3) functions appropriate for delegation to subordinate procurement organization heads and contracting officers. It is intended as a guide and may be adopted as is or modified to the extent necessary so long as it is consistent with the purpose and scope of the Executive order. The fundamental goal is to improve the efficiency and effectiveness of the procurement function which plays a vital role in accomplishing agency missions.

ORGANIZATIONAL PLACEMENT

Background

The importance of organizational placement was highlighted in the findings of the Report of the Commission on Government Procurement (COGP), Volume 1, Chapter 5, page 43.

"Technical personnel tend to dominate personnel engaged in the procurement process. Procurement personnel do not receive the management support they must have in order to bring their professional expertise into play in awarding and administering contracts and, as a consequence, they must often bow to the desires of requisitioners who do not have expertise in procurement."

As a result of its study, the COGP stated the need to reevaluate the place of procurement in each agency whose program goals require substantial reliance on procurement. Under the general oversight of the OFPP, each agency should ensure that the business aspects of procurement and the multiple national objectives to be incorporated in procurement actions receive appropriate consideration at all levels in the organization. (COGP Recommendation No. 12)

Placement

The head of each Federal agency will appoint a Procurement Executive which should normally be a full-time position or a primary function of that position.* Since this official will be responsible for management direction of the agency's procurement system, the Executive should be an experienced procurement professional and be at, or report directly to, no lower than the assistant secretary or assistant administrator level. Procurement Executives of large agencies may designate subordinate Procurement Executives, as needed, in sub-agency elements.

To effectively carry out his/her responsibilities, the Executive must be placed at a sufficiently high level in the organization to ensure:

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- * Some agencies which have a significant grants function have combined procurement and grants responsibility. It is not intended in such cases that the agency separate these functions in order to have an individual whose primary function is Procurement Executive. So long as the individual designated as Procurement Executive meets the criteria and can carry out the function set forth in this charter, the assignment of procurement responsibility does not preclude the assignment of grant functions in those agencies where the Procurement Executive also has grants responsibility.

- Direct access to the head of the major organizational element served;
- Sufficient status to deal with contractor executives; and
- Comparative equality with major mission and program organizational elements.

RESPONSIBILITIES

1. Delegation. The Procurement Executive is delegated authority from the agency head to oversee development and provide management direction of the agency's procurement system in accordance with applicable laws and regulations. Specifically, the Procurement Executive is authorized to:
 - a. Prescribe and publish agency procurement policies, regulations and procedures. (When the Federal Acquisition Regulation (FAR) becomes effective, agency policies, regulations and procedures will be limited to those unique to the agency or otherwise necessary to implement the FAR. Repeating or paraphrasing the FAR will not be permitted.);
 - b. Enter into, make determinations and decisions and take other actions, consistent with appropriate policies, regulations and procedures with respect to purchases, contracts, leases, sales agreements and other transactions, except those required by law or regulation to be made by other authority;
 - c. Designate contracting officers and representatives thereof;
 - d. Establish clear lines of contracting authority;
 - e. If appropriate, exercise priorities authority on behalf of the agency, in accordance with the provisions of the Defense Production Act of 1950 (50 U.S.C. App. 2071, et seq.), Department of Defense Delegation of Priorities Authority, dated October 21, 1958, and applicable policies and regulations;
 - f. Evaluate and monitor the agency's procurement system performance;


- g. Manage and enhance career development of the procurement work force;
- h. Examine, in coordination with the OFPP, the procurement system to determine specific areas where Government-wide performance standards should be established and applied and participate in the development of Government-wide procurement policies, regulations and standards. (The standards will be the criteria used for measuring operational effectiveness; i.e., time, cost, quality, accuracy, quantity, qualifications, etc.);
- i. Determine areas for agency unique standards and develop unique agency-wide standards;
- j. Be the advocate for competition; and
- k. Certify to the agency head that the procurement system meets approved standards.


2. Redelegation

- a. The authority delegated in paragraph 1.a. may be redelegated only with respect to agency internal procurement policies, procedures and regulations.
- b. None authorized with respect to paragraph 1.f., i. and k.
- c. The authority delegated in paragraphs 1.b., c., d., e., g., h. and j may be redelegated in writing with the power of further redelegation.

Approved:

Approved:


Joseph R. Wright, Jr.
Deputy Director
Office of Management
and Budget


Donald E. Sowle
Administrator for Federal
Procurement Policy

DATED: June 30, 1982